Pacific L.A. Marine Terminal LLC

Pier 400 – Berth 408
Liquid Bulk Petroleum Terminal

Southern California Association of Governments

Energy Working Group

September 25, 2007

PLAINS ALL AMERICAN PIPELINE, L.P.

Pier 400 – Berth 408 – Port of Los Angeles

- Project is the development of a new world scale deep water crude oil import terminal
- Facility will be developed in the Port of Los Angeles
- Project consists of a marine dock, shore side pumps, series of underground pipelines and 4 million barrels of marine receipt petroleum storage tankage
- Nearly all of the new facilities will be built on POLA property
- Facility will have initial capacity to accommodate over 25% of the Southern California regional crude oil demand

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Plains – Pacific Merger

- Project was started by Pacific Energy Partners, L. P.
- Merger took place on November 15, 2006
- Plains All American Pipeline, L.P. (NYSE “PAA”) acquired the general partner interest in Pacific Energy Partners (“PPX”), exchanged PAA units (limited partner interests) for PPX units at 0.77/1.0 ratio
- PPX merged into PAA
- The combined company has an estimated market value of over $6.0 billion
- PAA Operations include transportation, storage, terminalling and marketing of crude oil, refined products, liquefied petroleum gas and other natural gas-related petroleum products in the United States and Canada

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Pier 400 Marine Terminal Project

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Pier 400 Details

- The 81 feet of deep-water terminal at Pier 400 will accommodate the newest and largest tankers
- Designed to accommodate up to 325 MDWT vessels
- 4 million barrels of new petroleum storage
- System will accommodate a variety of types of oil through efficient marine receipt storage
- Estimated 250,000 barrels per day of startup throughput capacity that grows to meet demand over time
- High capacity pipeline connections to local refineries, other Plains' systems and other 3rd party tank farms and pipelines in the Port of Los Angeles area

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Pier 400
Berth 408
Project Tankage
Angel's Gate

Berth 408 View with VLCC

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Berth 408 – Site 1 – Tankage and Pumps

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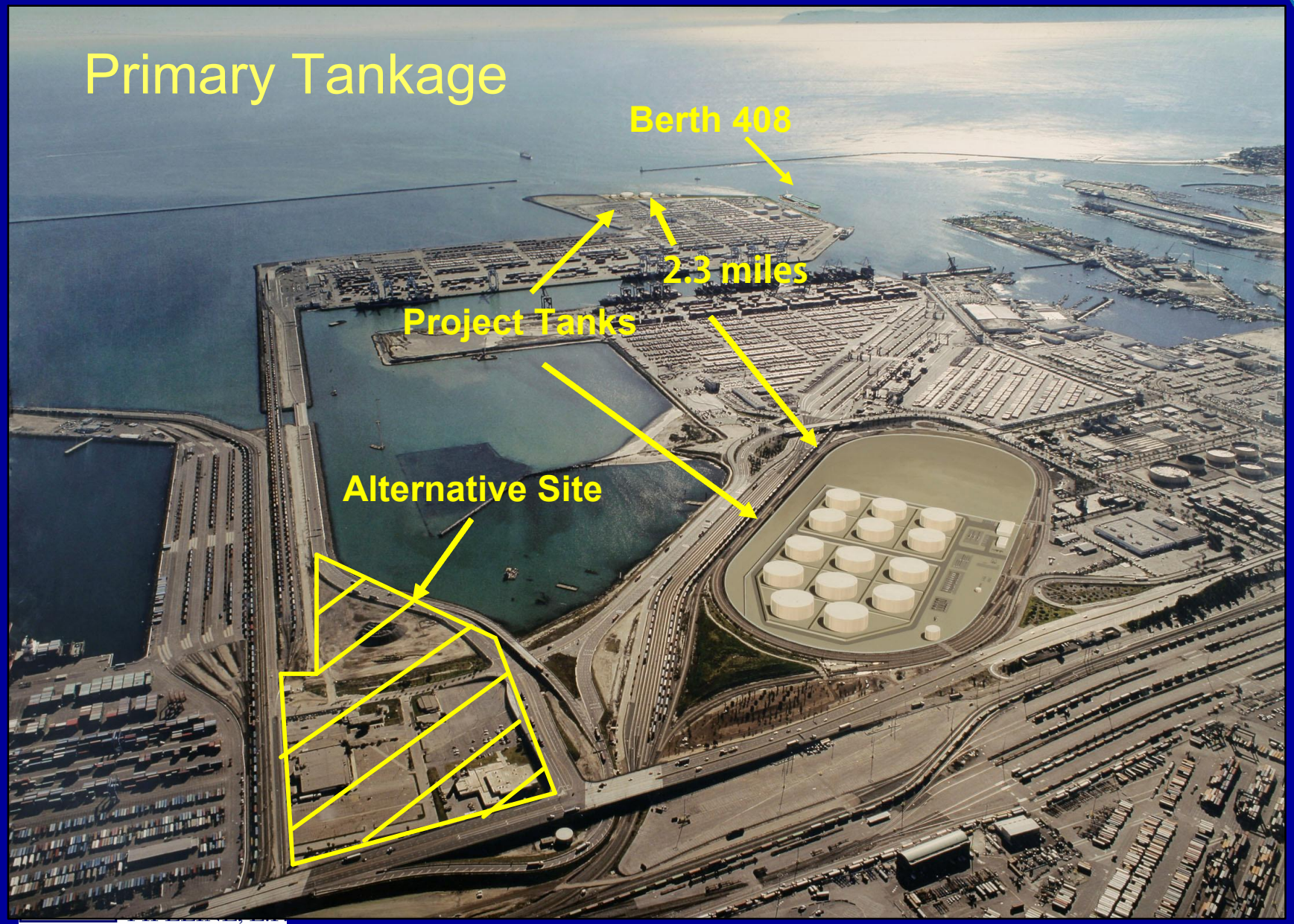
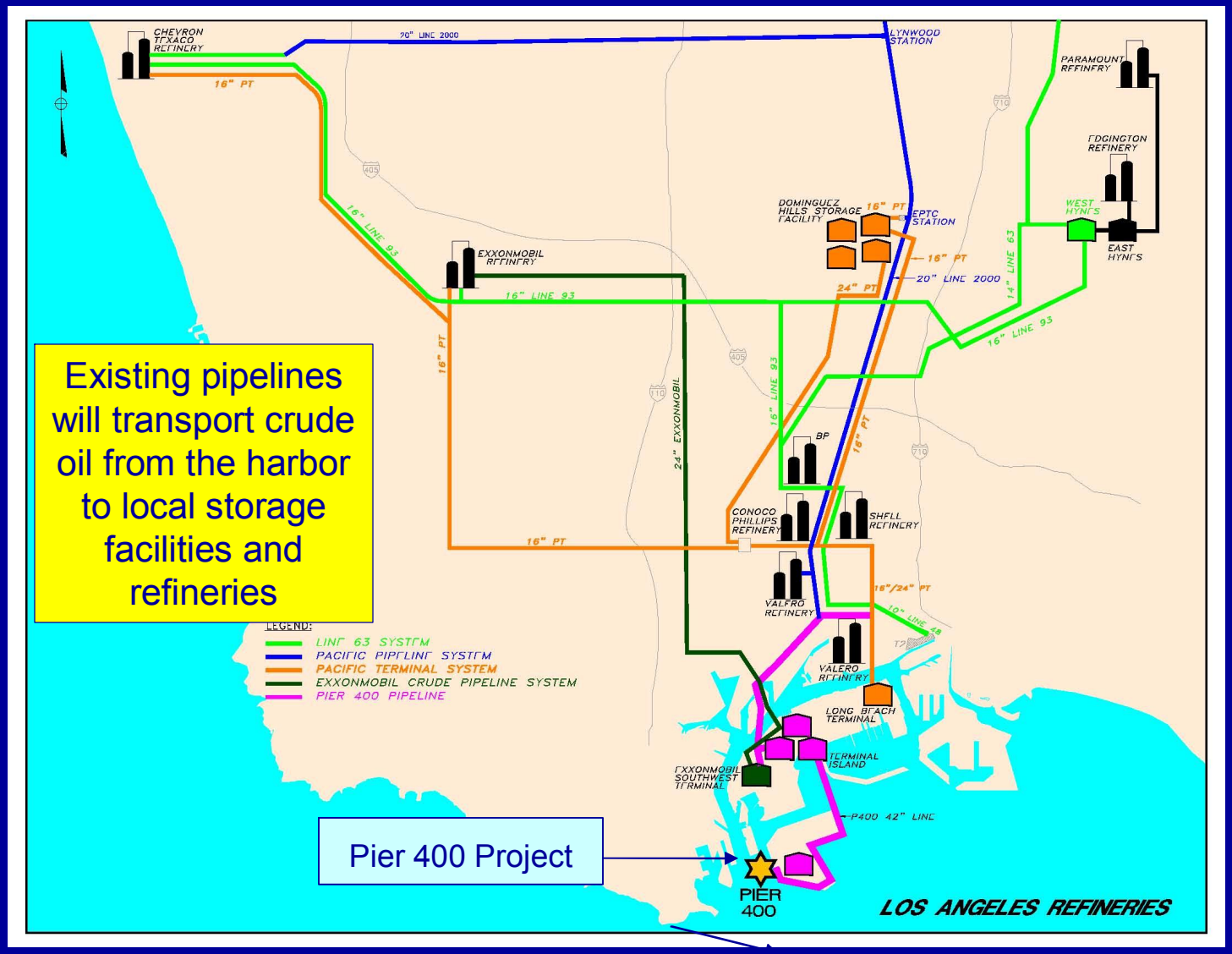

Primary Tankage
Berth 408
2.3 miles
Project Tanks
Alternative Site

Pacific L.A. Marine Terminal LLC



Existing pipelines will transport crude oil from the harbor to local storage facilities and refineries

Pier 400 Project

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Strategic Project

- Vital for the Southern California economy
- First new petroleum terminal in 30 years
- Deepest safe harbor in the U.S. – 81 feet of depth
- The project has the initial capacity to supply 25% of today's petroleum needs of Southern California
- Significant strategic value to California and the South West United States
- Local production is falling off faster than anticipated
- Representatives from California Energy Commission have expressed continued concern about California's import situation

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Project Addresses Key Environmental Issues

Air Quality

- Will meet objectives of Ports' Clean Air Action Plan (CAAP)
- Residential health risk is less than 4 in one million PM
- Offsets 120% of operational air emissions (AQMD Requirement)
- Incorporates shoreside pumps
- Efficient operation minimizes time in port
- Will use AMPing or equivalent
  - Phase in over time
- Uses low sulfur fuels
  - Begins at 40 nautical miles
  - Main engine switching – protocol to be established
  - Auxiliary engines and boilers (main engines if required)
  - Phase in over time
- Reduces ship speed – 12 knots/hour from 40 nautical miles
- No trucking – No Trains
- Specific Details will be discussed in pending Draft EIR/EIS

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Facing the Future

- Historical sources of crude oil from California and Alaska are running out
- Los Angeles basin is projected to need twice as much oil by 2015
- Even if conservation efforts are successful, and demand remains constant, we will still need to find replacement sources
- The current petroleum import infrastructure is near capacity
- We must have the critical new infrastructure to accept these imports
- Future oil supply will come from distant locations in large ships

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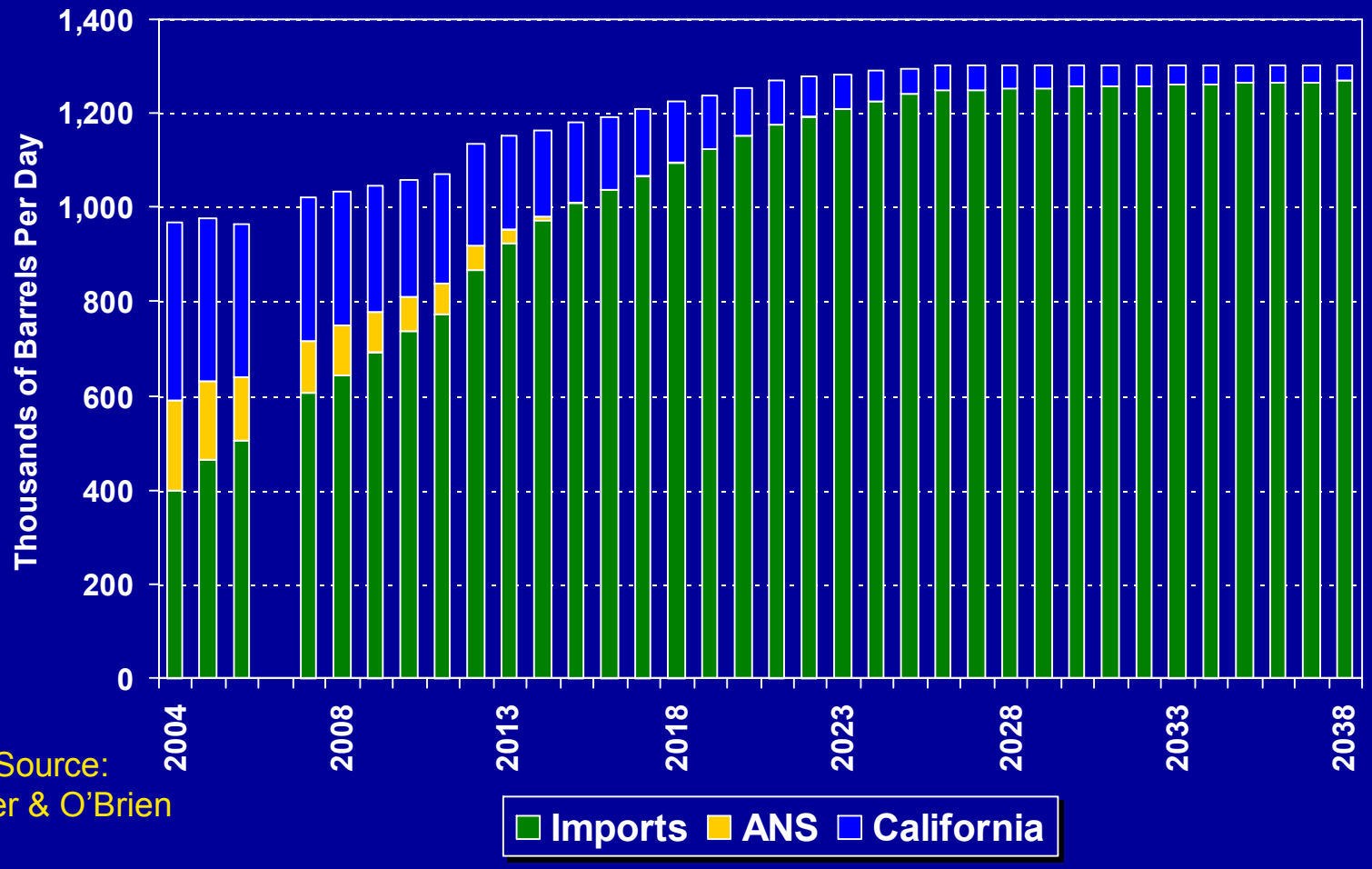
Southern California Crude Oil Demand



Source:
Baker & O'Brien

Base Case: Annual Capacity Creep
2006-2021: 1.25%; 2022-2026: 0.50%; 2027-2038: 0.00%.

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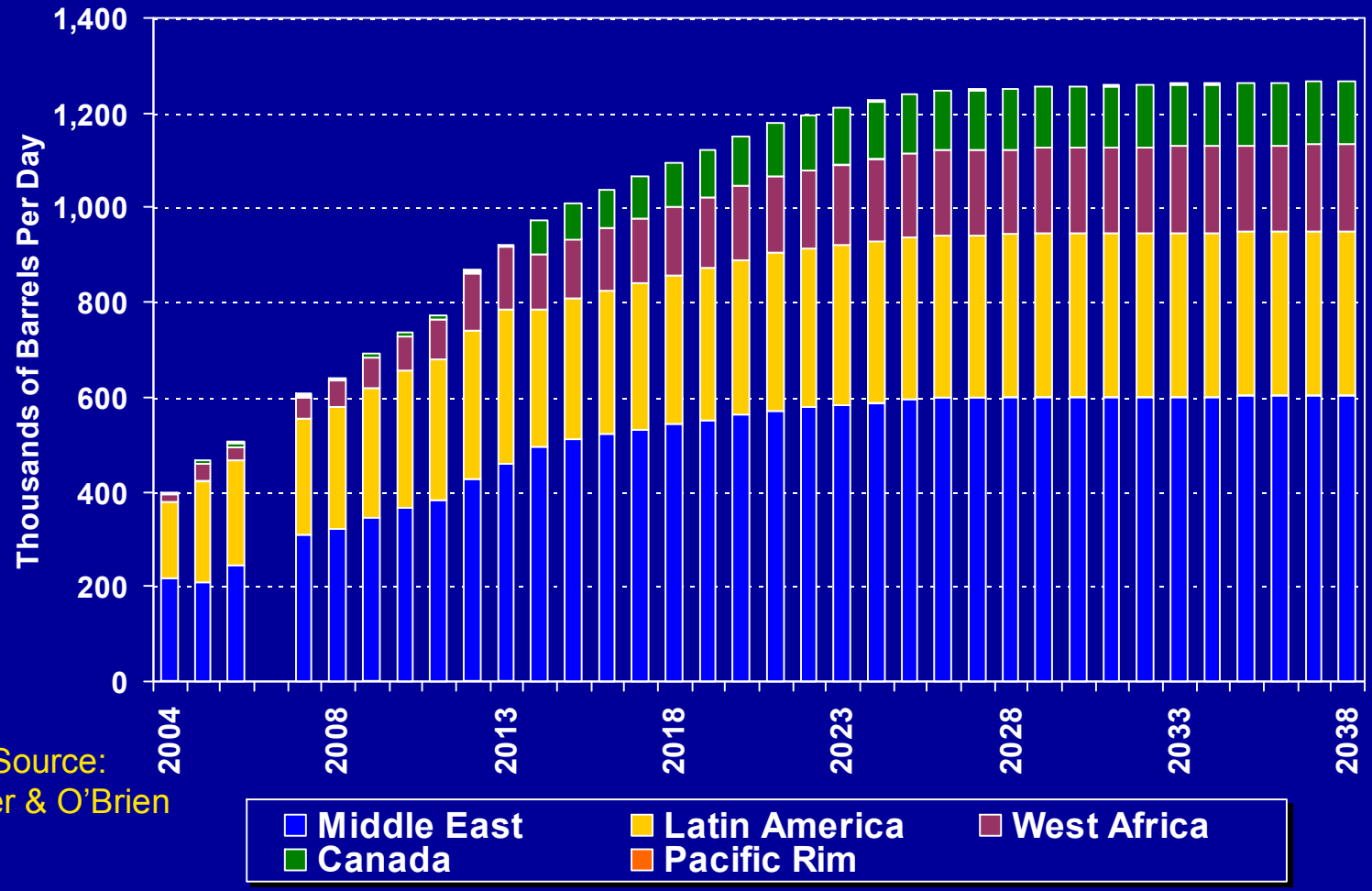
Sources of Imports



Source:
Baker & O'Brien

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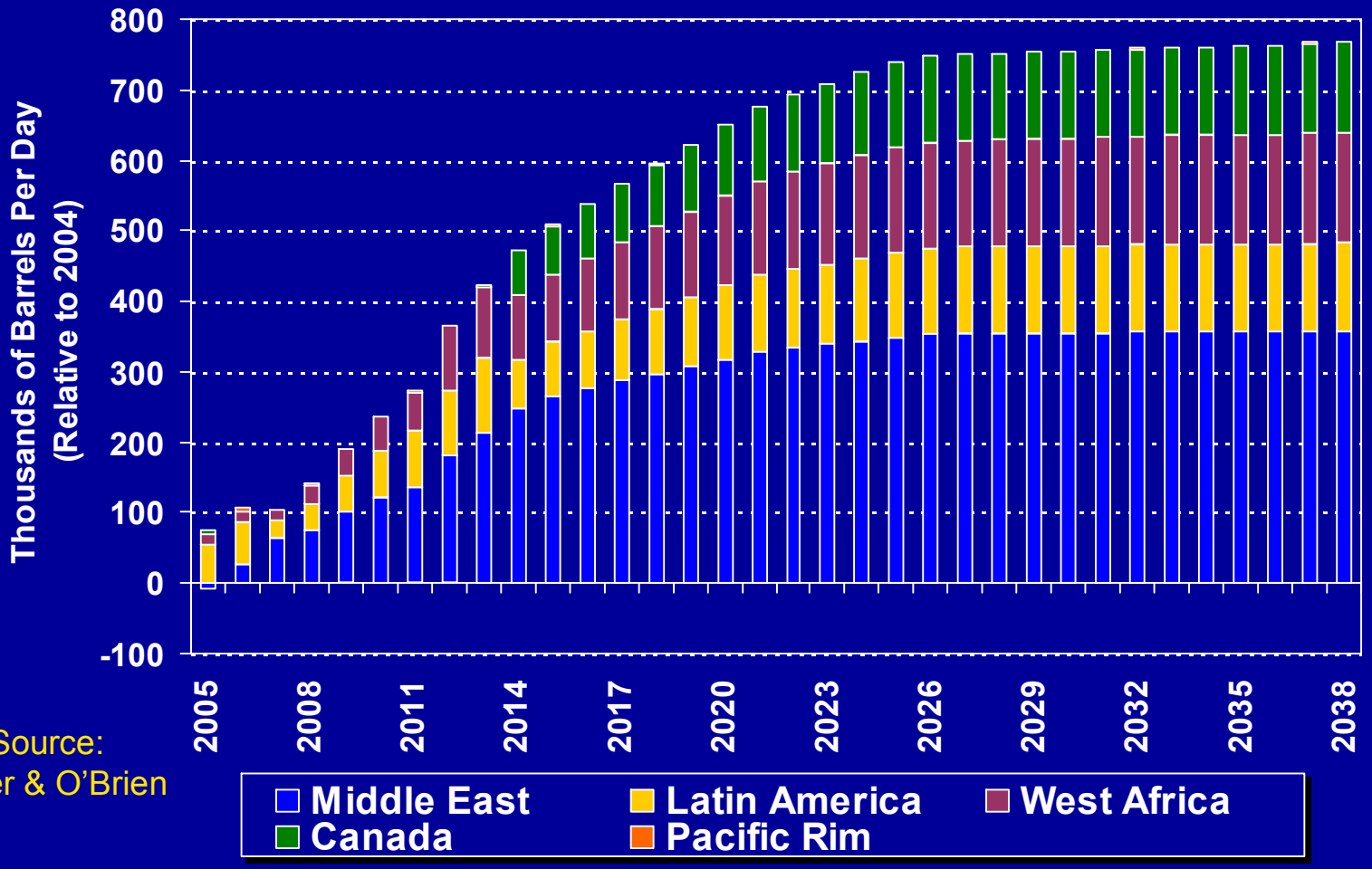
Base Case: Annual Capacity Creep
2006-2021: 1.25%; 2022-2026: 0.50%; 2027-2038: 0.00%.

Incremental Imports to Southern California



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Base Case: Annual Capacity Creep
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Project Schedule

- Project Application to POLA – April 2003
- POLA/USACE – Notice of Project – June 2004
- Expect Draft EIR in November or December of 2007
- Four to five months for POLA Approval
- Four to five months with Mayor, City Hall and City Council
- Start Construction – August/September 2008
- Finish Construction – 2010

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Implications for Local Economy

- $418 million project (includes POLA dock design/construction)
- Project Labor Agreement (PLA)
- Letter to POLA Commission regarding union operation
- Employment - at least --
  - 4,800 full year equivalent union construction jobs
    - Pipe Trades, Boilermakers, Electricians, Piledrivers, etc.
  - 172 full time direct and indirect permanent jobs
    - Tank farm operations, vessel tie ups, clerks, maintenance personnel
- Provides significant new tax base for City, County and State
- Continuation of high paying jobs at regional refineries

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Commercial Update

- Current construction cost estimate:
  - $368+ million (Plains investment) Estimate up $50 million from last year
  - $ 50+ million (POLA – Plains All American Liability)
- Finalizing on another cost estimate (upward) revision
- Capacity fully subscribed
- Reviewing options for additional capacity

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